

management, which is sometimes so much needed, might be more fully and universally secured than is possible under present arrangements. Of course, there is the corresponding danger, due to the common assumption that where the Government interferes it guarantees. It is obvious that, in justice to the rest of the community, a guarantee, if given, must imply effective control.

In a paper read before the Royal Statistical Society, in April, 1895, the Rev. J. Frome Wilkinson says:—

Competition for cheapness causes societies to undersell the benefits they offer. . . . I can only see one effective remedy—namely, that set forth in a resolution introduced by the Manchester Unity at the recent conference of friendly societies held in London, and seconded by the reader of this paper, on behalf of the United Sisters' Suffolk Unity: "That the Parliamentary Representative of the Order be requested to interview the Lords of the Treasury, to induce them, in the interest of the public, to propose to Parliament an amendment to the Friendly Societies Act of 1875, to prevent societies enrolling members by promising larger benefits than the contributions can meet."

The proposed amendment is the addition of the following words to that clause of the English Act which corresponds to section 5 (7, c.) of the New Zealand Act:—

But should the tables in use in any society be considered by the Registrar to be insufficient to pay for the assurance promised, he shall compel the society to increase its contributions or decrease its benefits in order to prevent insolvency. Should any society adopt or continue to use tables of payments and benefits not certified by a member of the Society of Actuaries within two years after the passing of this Act, it shall incur a penalty of £25 for every month it continues to violate the provisions contained in this clause.

Mr. Wilkinson continues:—

Such amendment would kill non-actuarial tables, and would practically be an extension of a proviso, already in operation, to the effect that the tables for contributions for superannuation or deferred annuities must be certified by some actuary approved by the Treasury. The proposed extension would strengthen the hands of the friendly society leaders, and cut the root of objection—namely, the fear that the partial application of such reform would tend to increase the membership of those inferior societies which did not adopt it, and which would continue to undersell a sound article of insurance. The remedy, in other words, should be made universal in operation. This is not in itself a new proposal, having been from time to time in past years introduced into both Houses of Parliament. But the above occasion is the first on which it has been brought forward by a great friendly society sitting in delegate conference with kindred societies. A large measure of support was awarded it, and the proposal was only lost on division through some doubt as to equity in application, arising out of the question whether the Registrar could make allowance for the interest of funds or realised assets coming to the assistance of tables of contributions which otherwise might not be deemed as sufficient. Another amendment of the Act of 1875 is required to make the proposed remedy universal in application, and this was carried at the conference with strong expressions of feeling in support. It reads as follows: "That, in the opinion of this conference, the Friendly Societies Act should be further amended by making it compulsory upon all benefit societies to register under the Act, and providing penalties for meeting or transacting business until they are so registered." I venture to express a firm conviction, shared in by many other delegates at the conference, that it is only by the aid of such legislative enactments as the foregoing that the bulk of friendly societies will eventually be in a position to attain the goal of actuarial solvency.

In uncompromising antagonism to this view is an editorial article in the June number of the *Oddfellows' Magazine*, 1895:—

A few remarks on the question of State prohibition and State regulation will not be out of place. It is true that, in a moment of pharisaical self-satisfaction, the Southampton A.M.C., in 1893, passed a resolution calling upon the Government to prohibit societies from using any but properly certified tables of contributions and benefits. It is also certain that the deputies who so glibly said "Aye" to the proposition had reckoned without their host. They could not have known what was afterwards told to the A.M.C. at Northampton by P.G.M. Watson, in tones which carried conviction, that if such a law were put in operation the Manchester Unity itself would have stood self-condemned. They did not consider, in their self-complacency, that many lodges of the Unity, working under Unity tables, were themselves charging too little contributions for the risks accepted. Apart from this home-thrust, the deputies could not have realised that such a resolution was a departure from the policy followed by the Unity since its formation—a policy which has placed it in the forefront of friendly societies both as to numbers and funds—the policy of abstention from political agitation, and rejection of Government interference. The Southampton A.M.C. must, in its fit of temporary aberration, have mistrusted the Manchester Unity for its own power of instruction and the force of its example. Though lost sight of by the Southampton A.M.C., these points and others were manifest to the Lords of the Treasury, to whom the Parliamentary Agent ineffectually applied to get the resolution enforced. "Ye know not what ye ask," was virtually the reply of their Lordships when approached on the subject. How true was their perception of the actual condition of affairs was manifested at the Northampton A.M.C. in 1894, when the Parliamentary Agent, in his report, asked for explicit instructions as to the course he should pursue. It was suggested by a proposition that a Bill should be drafted embodying the Southampton resolution; but the representatives of the Manchester Unity, grown wiser with a year's reflection, and enlightened by the weighty words of the Actuary, would have none of it. Though the resolution passed at Southampton has never been formally rescinded, it was practically relegated to the limbo of impossible projects by the following A.M.C., and it is a pity that the report of the Royal Commission should have contained no reference to the shelving of the resolution of 1893 by the rejection of one to give it effect in 1894. An attempt was made subsequently to obtain a resolution in favour of the compulsory principle at the Friendly Societies' Conference, but here again it met with defeat. Friendly societies will not permit the faintest shadow of State control to endanger the liberty they now enjoy, however much the Manchester Unity may desire the enforcement of adequate rates of contribution for benefits promised. Let it not be for one moment assumed that any objection is offered to the use of sound tables on the part of every society promising certain benefits in return for fixed payments. The objection is to the means by which proper tables are proposed to be enforced. Reform must come from within if it is to be of lasting benefit; if it is imposed from without, it will either be evaded, or those societies or branches which are not prepared for its adoption will be legislated out of existence.

In the discussion which followed the reading of Mr. Wilkinson's paper, Mr. R. P. Hardy, F.I.A., "did not think that legislation should be tried as a remedy." Mr. E. W. Brabrook, Chief Registrar of Friendly Societies, was "certain that all proposals to make registration compulsory would be futile, and could serve no useful purpose." Mr. J. J. Stockall, Mr. R. W. Moffrey, and Mr. A. Chapman, members of friendly societies, expressed their objection to the legislative interference advocated by Mr. Wilkinson.

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